



# House of Representatives

General Assembly

**File No. 262**

February Session, 2018

House Bill No. 5497

*House of Representatives, April 5, 2018*

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT PROHIBITING CERTAIN EMPLOYERS IN THE SECURITIES INDUSTRY FROM REQUIRING EMPLOYEES TO ENTER INTO NONCOMPETE AGREEMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2018*) On or after October 1,  
2       2018, no agent, broker-dealer, investment adviser or investment  
3       adviser agent, each as defined in section 36b-3 of the general statutes,  
4       may require as a condition for employment that any person enter into  
5       an agreement prohibiting such person from engaging in the same or a  
6       similar job, for another employer or as a self-employed person, for a  
7       specified period of time after termination of employment with such  
8       agent, broker-dealer, investment adviser or investment adviser agent.  
9       Any such prohibition in an agreement entered into, renewed or  
10      extended on or after October 1, 2018, shall be void.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2018</i>	New section
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**BA**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill results in no fiscal impact to the state or municipalities as it concerns agreements between private entities.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****HB 5497*****AN ACT PROHIBITING CERTAIN EMPLOYERS IN THE SECURITIES INDUSTRY FROM REQUIRING EMPLOYEES TO ENTER INTO NONCOMPETE AGREEMENTS.*****SUMMARY**

This bill prohibits agents, broker-dealers, investment advisers, or investment adviser agents, as defined by the Connecticut Uniform Securities Act, from requiring employees to enter into a noncompete agreement that prohibits them from working in a similar or identical job for a certain period after their employment ends. The bill voids any such noncompete agreement entered into on or after October 1, 2018.

EFFECTIVE DATE: October 1, 2018

**COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea 10 Nay 9 (03/20/2018)